

STATE OF NORTH CAROLINA

WAKE

County

FILED

File No.

17-CV-010811

In The General Court Of Justice

☐ District ☒ Superior Court Division

Name And Address Of Plaintiff 1

State of North Carolina ex rel. John Stein, Attorney General
N.C. Department of Justice
114 West Edenton Street
Raleigh, NC 27602

Name And Address Of Plaintiff 2

VERSUS

Name Of Defendant 1

Lenovo (United States), Inc.
1009 Think Place
Morrisville, NC 27560-9002

Summons Submitted

☐ Yes ☒ No

Name Of Defendant 2

Summons Submitted

☐ Yes ☐ No

☐ Jury Demanded In Pleading

☐ Complex Litigation

P 3:53

GENERAL

CIVIL ACTION COVER SHEET

☐ INITIAL FILING ☒ SUBSEQUENT FILING

Rule 5(b), General Rules of Practice For Superior and District Courts

Name And Address Of Attorney Or Party, If Not Represented (complete for initial appearance of change of address)

Kimberley A. D'Arruda
N.C. Department of Justice
P.O. Box 629
Raleigh, NC 27602-0629

Telephone No.

919-716-6013

Cellular Telephone No.

NC Attorney Bar No.

25271

Attorney E-Mail Address

kdarruda@ncdoj.gov

☐ Initial Appearance In Case

☐ Change of Address

Name Of Firm

NC Department of Justice

FAX No.

919-716-6050

Counsel for

☒ All Plaintiffs ☐ All Defendants ☐ Only (first party/ies) represented

☐ Amount in controversy does not exceed \$15,000

☐ Stipulate to arbitration

TYPE OF PLEADING

(check all that apply)

- ☐ Amend (AMND)
- ☐ Amended Answer/Reply (AMND-Response)
- ☐ Amended Complaint (AMND)
- ☐ Assess Costs (COST)
- ☐ Answer/Reply (ANSW-Response) (see Note)
- ☐ Change Venue (CHVN)
- ☐ Complaint (COMP)
- ☐ Confession Of Judgment (CNJF)
- ☐ Consent Order (CONS)
- ☐ Consolidate (CNSL)
- ☐ Contempt (CNTP)
- ☐ Continue (CNTN)
- ☐ Compel (CMPL)
- ☐ Counterclaim (CTCL) Assess Court Costs
- ☐ Crossclaim (list on back) (CRSS) Assess Court Costs
- ☐ Dismiss (DISM) Assess Court Costs
- ☐ Exempt/Waive Mediation (EXMD)
- ☐ Extend Statute Of Limitations, Rule 9 (ESOL)
- ☐ Extend Time For Complaint (EXCO)
- ☐ Failure To Join Necessary Party (FJNP)

(check all that apply)

- ☐ Failure To State A Claim (FASC)
 - ☐ Implementation Of Wage Withholding In Non-IV-D Cases (OTHR)
 - ☐ Improper Venue/Division (IMVN)
 - ☐ Including Attorney's Fees (ATTY)
 - ☐ Intervene (INTR)
 - ☐ Interplead (OTHR)
 - ☐ Lack Of Jurisdiction (Person) (LJPN)
 - ☐ Lack Of Jurisdiction (Subject Matter) (LJSM)
 - ☐ Modification Of Child Support In IV-D Actions (MSUP)
 - ☐ Notice Of Dismissal With Or Without Prejudice (VOLD)
 - ☐ Petition To Sue As Indigent (OTHR)
 - ☐ Rule 12 Motion In Lieu Of Answer (MDLA)
 - ☐ Sanctions (SANC)
 - ☐ Set Aside (OTHR)
 - ☐ Show Cause (SHOW)
 - ☐ Transfer (TRFR)
 - ☐ Third Party Complaint (list Third Party Defendants on back) (TPCL)
 - ☐ Vacate/Modify Judgment (VCMD)
 - ☐ Withdraw As Counsel (WDCN)
 - ☒ Other (specify and list each separately)
- Consent Judgment

NOTE: All filings in civil actions shall include as the first page of the filing a cover sheet summarizing the critical elements of the filing in a format prescribed by the Administrative Office of the Courts, and the Clerk of Superior Court shall require a party to refile a filing which does not include the required cover sheet. For subsequent filings in civil actions, the filing party must either include a General Civil (AOC-CV-751), Motion (AOC-CV-752), or Court Action (AOC-CV-753) cover sheet.

CLAIMS FOR RELIEF

- | | | |
|--|--|--|
| <input type="checkbox"/> Administrative Appeal (ADMA) | <input type="checkbox"/> Limited Driving Privilege - Out-Of-State Convictions (PLDP) | <input type="checkbox"/> Product Liability (PROD) |
| <input type="checkbox"/> Appointment Of Receiver (APRC) | <input type="checkbox"/> Medical Malpractice (MDML) | <input type="checkbox"/> Real Property (RLPR) |
| <input type="checkbox"/> Attachment/Garnishment (ATTC) | <input type="checkbox"/> Minor Settlement (MSTL) | <input type="checkbox"/> Specific Performance (SPPR) |
| <input type="checkbox"/> Claim And Delivery (CLMD) | <input type="checkbox"/> Money Owed (MNYO) | <input checked="" type="checkbox"/> Other (specify and list each separately) |
| <input type="checkbox"/> Collection On Account (ACCT) | <input type="checkbox"/> Negligence - Motor Vehicle (MVNG) | Unfair and deceptive trade practices pursuant to N.C. Gen. Stat. Chapters 75 and 114 |
| <input type="checkbox"/> Condemnation (CNDM) | <input type="checkbox"/> Negligence - Other (NEGO) | |
| <input type="checkbox"/> Contract (CNTR) | <input type="checkbox"/> Motor Vehicle Lien G.S. 44A (MVLN) | |
| <input type="checkbox"/> Discovery Scheduling Order (DSCH) | <input type="checkbox"/> Possession Of Personal Property (POPP) | |
| <input type="checkbox"/> Injunction (INJU) | | |

Date

9-5-17

Signature Of Attorney/Party

[Signature]

FEES IN G.S. 7A-308 APPLY

Assert Right Of Access (ARAS)
Substitution Of Trustee (Judicial Foreclosure) (RSOT)
Supplemental Procedures (SUPR)

PRO HAC VICE FEES APPLY

Motion For Out-Of-State Attorney To Appear In NC Courts In A Civil Or Criminal Matter (Out-Of-State Attorney/Pro Hac Vice Fee)

No. ☐ Additional Plaintiff(s)

No. ☐ Additional Defendant(s) ☐ Third Party Defendant(s)

Summons Submitted

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

☐ Yes ☐ No

Plaintiff(s) Against Whom Counterclaim Asserted

Defendant(s) Against Whom Crossclaim Asserted

FILED

STATE OF NORTH CAROLINA

2011 SEP 5

P 3:53

IN THE GENERAL COURT OF JUSTICE

WAKE COUNTY

SUPERIOR COURT DIVISION

FILE NO.

WAKE CO., C.S.C.

STATE OF NORTH CAROLINA, ex rel.

JOSH STEIN, ATTORNEY GENERAL,

Plaintiff,

v.

CONSENT JUDGMENT

LENOVO (UNITED STATES) INC.,

Defendant.

THIS CAUSE came on before the undersigned Superior Court Judge for entry of a Consent Judgment between plaintiff, State of North Carolina, by and through its Attorney General, and defendant, Lenovo (United States) Inc. ("Lenovo," as defined in Part III of this Consent Judgment below). Plaintiff has filed a Complaint alleging that Lenovo committed violations of the North Carolina Unfair and Deceptive Trade Practices Act and seeking a permanent injunction and other relief.

Plaintiff and Lenovo have agreed to the Court's entry of this Consent Judgment without trial or adjudication of any issue of fact or law or finding of wrongdoing or liability of any kind, and that Lenovo does not admit any violation of law or any wrongdoing. This Consent Judgment is for settlement purposes only, and it is the intent of the parties that, to the fullest extent permitted by law, neither the fact of, nor any provision contained in, this Consent Judgment, nor any action taken hereunder, shall constitute, be construed as, or be admissible in evidence as any admission of the validity of any claim or any fact alleged in any other pending or subsequently filed action or of

any wrongdoing, fault, violation of law, or liability of any kind on the part of Lenovo or admission by Lenovo of the validity or lack thereof of any claim, allegation, or defense asserted in any other action. Nothing in this Consent Judgment shall be construed to affect Lenovo's right to take legal or factual positions in defense of litigation or other legal proceedings to which North Carolina is not a party.

I. PARTIES

1. The State of North Carolina, by and through its Consumer Protection Division, is the Plaintiff in this case. The Consumer Protection Division is charged with, among other things, the responsibility of enforcing North Carolina's Unfair and Deceptive Trade Practices Act.

2. Lenovo is a Delaware corporation with its principal place of business at 1009 Think Place, Morrisville, North Carolina 27560-9002.

II. FINDINGS

3. The Court has jurisdiction over the subject matter of the Complaint filed herein and, solely for the purposes of this matter, over the parties to this Consent Judgment. Jurisdiction is retained by this Court for the purpose of enabling Plaintiff to apply to this Court for such further orders and directions as may be necessary or appropriate for the construction, modification, or execution of this Consent Judgment, including the enforcement of compliance therewith and penalties for violation thereof.

4. At all times relevant to this matter, Lenovo was engaged in trade and commerce affecting consumers in the State of North Carolina in that Lenovo manufactures personal computers that are sold in retail stores in the State of North

Carolina. Lenovo also maintains a website through which consumers can purchase Lenovo products and ship those products to consumers residing in the State of North Carolina.

NOW THEREFORE, on the basis of these findings, and for the purpose of effecting this Consent Judgment, IT IS HEREBY ORDERED AND DECREED AS FOLLOWS:

III. DEFINITIONS

For purposes of this Consent Judgment, the following definitions apply:

A. "Affirmative Express Consent" means that:

- i. Prior to the initial operation of any Covered Software, it shall be Clearly and Conspicuously disclosed, separate and apart from any "end user license agreement," "privacy policy," "terms of use" page or similar document, the following:
 1. For any Covered Software that displays advertising,
 - a. The fact that the Covered Software will display advertisements, including any pop-up advertisements; and
 - b. The frequency and circumstances under which such advertisements are displayed to the consumer; and
 2. For any Covered Software that transmits, or causes to be transmitted, Covered Information to a person or entity other than the consumer,
 - a. The fact that the software will transmit, or cause to be

transmitted, the Covered Information to a person or entity other than the consumer;

- b. The types of Covered Information that will be transmitted to a person or entity other than the consumer;
- c. The types of Covered Information that the receiving person or entity will share with third parties, which does not include an entity with a common corporate ownership and branding of Defendant or the Software Provider, a Third Party Service Provider, or any person or entity otherwise excluded by the Proviso in Part IV.B of this Consent Judgment;
- d. The identity or specific categories of such third parties; and
- e. The purposes for sharing such Covered Information.

- ii. At the time this disclosure is made, a Clear and Conspicuous mechanism shall be provided for a consumer to indicate assent to the operation of the Covered Software by taking affirmative action authorizing its operation.

B. "Application Software" means any computer program designed for and used by consumers (e.g., database programs, word processing programs, games, Internet browsers or browser add-ons) that Defendant preinstalls or causes to be preinstalled onto a Covered Product. Application Software does not include device drivers; system software designed to configure, optimize or maintain a computer; operating systems; software bundled, integrated or included with

operating systems; or software otherwise provided to Defendant for preinstallation on a Covered Product by an operating system provider.

C. "Clear(ly) and Conspicuous(ly)" means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by consumers, including in all of the following ways:

- i. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication even if the representation requiring the disclosure ("Triggering Representation") is made through only one means.
- ii. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
- iii. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for consumers to easily hear and understand it.
- iv. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
- v. On a product label, the disclosure must be presented on the principal

display panel.

- vi. The disclosure must use diction and syntax understandable to consumers and must appear in each language in which the Triggering Representation appears.
 - vii. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
 - viii. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
- D. "Covered Information" means the following information from or about an individual consumer that is input into, stored on, accessed or transmitted through Application Software: (a) a first and last name; (b) a physical address; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) login credentials and passwords; (e) a telephone number; (f) a Social Security number; (g) a driver's license or other government-issued identification number; (h) a financial institution account number; (i) credit or debit card information; (j) any portion of the content of a consumer's communications; (k) any portion of the content of a consumer's files (e.g., documents, photos or videos); and (l) precise geolocation information sufficient to identify a street name and name of a city or town.
- E. "Covered Product" means any personal computer (i.e., desktop computers, laptops, laptops that convert into tablets or vice versa, and notebooks) that is

manufactured by or on behalf of Defendant and is sold to U.S. consumers. Covered Products do not include servers and server peripherals, mobile handsets or smartphones, or tablets or similar devices that are sold without an integrated or detachable physical keyboard. Covered Products also do not include the actual personal computers specifically sold to enterprise customers with over 1,000 employees.

F. "Covered Software" means: (a) Application Software that injects advertisements into a consumer's Internet browsing session, including pop-up advertisements or (b) Application Software that transmits, or causes to be transmitted, Covered Information to a person or entity other than the consumer, except when

i. the Covered Information is used only in an aggregated and/or de-identified form that does not disclose, report, or otherwise share any individually identifiable information; or

ii. the Covered Information is transmitted or used solely for one or more of the following purposes:

1. being reasonably necessary for the software to perform a function or service that the consumer requests or otherwise interacts with;
2. authenticating the consumer;
3. configuring or setting up the software; or
4. assessing or analyzing the software's performance (e.g., to find or fix problems in the software, assess how consumers are using the software, or to make improvements to the software).

Covered Software does not include Internet browsers, antivirus software, parental control software, or other computer security software.

- G. "Effective Date" of this Consent Judgment is the later of the date that the Court enters an Order, Judgment or Decree approving the terms of this document, or the effective date of the Order in the FTC Action.
- H. "Executive Committee" refers to the following Attorneys General Offices: California, Connecticut, Illinois and Pennsylvania.
- I. "Feature" means one or more of the following attributes of Covered Software: (a) the Covered Software's benefits, efficacy, or features; (b) the fact that it will display advertising, including pop-up advertisements; (c) the frequency and circumstances under which the Covered Software will display advertising; and (d) the fact of and extent to which the Covered Software will transmit, or cause to be transmitted, Covered Information to a person or entity other than the consumer.
- J. "FTC Action" means the Federal Trade Commission matter entitled In re Matter of Lenovo (United States) Inc., File No. 152 3134.
- K. "Lenovo" or "Defendant" means Lenovo (United States) Inc. and its successors and assigns.
- L. "Participating States" or "States" refers to the states and commonwealths listed in Exhibit A.
- M. "Software Provider" means any person or entity other than Defendant that sells, leases, licenses, or otherwise provides Application Software.

- N. "Third Party Service Provider" means any person or entity that is contractually required by Defendant or a Software Provider to: (a) use or receive Covered Information collected by or on behalf of Defendant or the Software Provider for and at the direction of Defendant or Software Provider, and for no other individual or entity; (b) not disclose the Covered Information, or any individually identifiable information derived from it, to any individual or entity other than Defendant or Software Provider; and (c) not use the Covered Information for any other purpose.

IV. INJUNCTIVE RELIEF

A. Prohibited Misleading Representations

It is ordered that Defendant, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Consent Judgment, whether acting directly or indirectly, in connection with the advertising, promotion, offering for sale, sale, or distribution of Covered Software shall not make a misrepresentation, in any manner, expressly or by implication, about any Feature of the Covered Software.

B. Affirmative Express Consent Provision

It is further ordered that, commencing no later than 120 days after the Effective Date of this Consent Judgment, Defendant, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Consent Judgment, whether acting directly or indirectly, shall not preinstall or cause to be preinstalled any Covered Software unless Defendant or the

Software Provider:

- i. Will obtain the consumer's Affirmative Express Consent;
- ii. Provides instructions for how the consumer may revoke consent to the Covered Software's operation, which can include uninstalling the Covered Software; and
- iii. Provides a reasonable and effective means for consumers to opt out, disable or remove all of the Covered Software's operations, which can include uninstalling the Covered Software.

Provided, however, that Affirmative Express Consent will not be required if sharing the Covered Information is reasonably necessary to comply with applicable law, regulation or legal process.

C. Mandated Software Security Program

It is further ordered that Defendant must, no later than the Effective Date of this Consent Judgment, establish and implement, and thereafter maintain a comprehensive software security program that is reasonably designed to (1) address software security risks related to the development and management of new and existing Application Software, and (2) protect the security, confidentiality, and integrity of Covered Information. The content, implementation and maintenance of the software security program must be fully documented in writing. The software security program must contain administrative, technical, and physical safeguards appropriate to Defendant's size and complexity, the nature and scope of Defendant's activities, the nature of the Application Software, the security policies and practices of the Software Provider, and

the sensitivity of the Covered Information, including:

- i. The designation of an employee or employees to coordinate and be responsible for the software security program;
- ii. The identification of internal and external risks to the security, confidentiality, or integrity of Covered Information that could result in the unauthorized disclosure, misuse, loss, alteration, destruction, or other compromise of such information, and assessment of the sufficiency of any safeguards in place to control these risks. At a minimum, this risk assessment must include consideration of risks in each area of relevant operation, including: (1) employee training and management; (2) Application Software design, including the processing, storage, transmission and disposal of Covered Information by the Application Software; and (3) the prevention, detection, and response to attacks, intrusions, or other vulnerabilities;
- iii. The design and implementation of reasonable safeguards to control these risks, and regular testing or monitoring of the effectiveness of the safeguards' key controls, systems, and procedures;
- iv. The development and use of reasonable steps to select and retain software or service providers capable of maintaining security practices consistent with this Consent Judgment, and requiring software and service providers, by contract, to implement and maintain appropriate safeguards; and
- v. The evaluation and adjustment of the software security program in light of

the results of the testing and monitoring required by sub-provision iii above, any changes to Defendant's operations or business arrangements, or any other circumstances that Defendant knows or has reason to know may have an impact on the effectiveness of the software security program.

D. Software Security Assessments by a Third Party

It is further ordered that, in connection with compliance with the provision of this Consent Judgment titled Mandated Software Security Program, Defendant must obtain initial and biennial assessments ("Assessments"):

- i. The Assessments must be obtained from a qualified, objective, independent third-party professional, who uses procedures and standards generally accepted in the profession. A professional qualified to prepare such Assessments must be a person qualified as a Certified Secure Software Lifecycle Professional (CSSLP) with professional experience with secure Internet-accessible, consumer-grade devices; an individual qualified as a Certified Information Systems Security Professional (CISSP) or as a Certified Information Systems Auditor (CISA) with professional experience with secure Internet-accessible consumer-grade devices; or a qualified individual or entity approved by the Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, as ordered in the FTC Action.
- ii. The reporting period for the Assessments must cover: (1) the first 180 days after the Effective Date for the initial Assessment, and (2) each 2-year

period thereafter for 20 years for the biennial Assessments.

iii. Each Assessment must:

1. Set forth the specific administrative, technical, and physical safeguards that Defendant has implemented and maintained during the reporting period;
2. Explain how such safeguards are appropriate to Defendant's size and complexity, the nature and scope of Defendant's activities, the nature of the Application Software, the security policies and practices of the Application Software provider and the sensitivity of the Covered Information;
3. Explain how the safeguards that have been implemented meet or exceed the protections required by the Provision of this Consent Judgment titled Mandated Software Security Program; and
4. Certify that the Mandated Software Security Program is operating with sufficient effectiveness to provide reasonable assurance that the security of the Application Software preinstalled on Covered Products and the security, confidentiality, and integrity of Covered Information is protected, and that the Mandated Software Security Program has so operated throughout the reporting period.

iv. Each Assessment must be completed within 60 days after the end of the reporting period to which the Assessment applies as set forth in Part IV of the Order in the FTC Action.

E. The obligations and other provisions set forth in this Section IV shall expire 20 years after the Effective Date of this Final Judgment and Consent Decree. Nothing in this paragraph should be construed or applied to excuse Lenovo from its obligations to comply with all applicable state and federal laws, regulations and rules.

V. COMPLIANCE MONITORING

Defendant is required to monitor its compliance with this Consent Judgment in the same manner as it is required to monitor its compliance with the Order in the FTC Action, all as detailed in Part VI of the Order in the FTC Action. Upon request by any Participating State, Lenovo shall provide a copy of any Assessment or other submission made to the FTC pursuant to the FTC Action within 10 days of the request.

VI. ACKNOWLEDGEMENTS OF THE CONSENT JUDGMENT

For 5 years after the Effective Date of this Consent Judgment, Defendant must deliver a copy of this Consent Judgment to all individuals and entities listed in Part V of the Order in the FTC Action.

VII. PAYMENT TO THE STATES

Within 30 days of the Effective Date of this Consent Judgment, Lenovo shall pay the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000) to the Participating States in amounts to be designated by and in the sole discretion of the Executive Committee. North Carolina's portion of said payment, \$101,046.90, shall be used by the State of North Carolina as and for attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund, including future consumer protection enforcement, consumer

education, litigation, or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the North Carolina Attorney General. The parties acknowledge that the payment described herein is not a fine, penalty, or payment in lieu thereof.

VIII. RELEASE

Following full payment of the amounts due under this Consent Judgment, the North Carolina Attorney General shall release and discharge Lenovo and its affiliates, subsidiaries and divisions from all civil claims that the North Carolina Attorney General could have brought under the North Carolina Unfair and Deceptive Trade Practices Act based on Lenovo's conduct alleged in the Complaint filed in this matter prior to the Effective Date of this Consent Judgment. Nothing contained in this paragraph shall be construed to limit the ability of the North Carolina Attorney General to enforce the obligations that Lenovo has under this Consent Judgment. Further, nothing in this Consent Judgment shall be construed to create, waive, or limit any private right of action.

IX. GENERAL PROVISIONS

A. The Parties understand and agree that this Consent Judgment shall not be construed as an approval or a sanction by the North Carolina Attorney General of Lenovo's business practices, nor shall Lenovo represent that this Consent Judgment constitutes an approval or sanction of its business practices. The Parties further understand and agree that any failure by the North Carolina Attorney General to take any action in response to any information submitted pursuant to this Consent Judgment shall not be construed as an approval, waiver, or sanction of any representations, acts, or

practices indicated by such information, nor shall it preclude action thereon at a later date, except as provided by the Release herein.

B. Nothing in this Consent Judgment shall be construed as relieving Lenovo of the obligation to comply with all state and federal laws, regulations, and rules, nor shall any of the provisions of this Consent Judgment be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, and rules.

C. Nothing contained in this Consent Judgment shall be construed to waive or limit any right of action by any consumer, person or entity, or by any local, state, federal or other governmental entity, except as provided by the Release herein.

D. Nothing in this Consent Judgment shall prevent or restrict the use of this Consent Judgment by North Carolina in any action against Lenovo for contempt or failure to comply with any of its provisions, or in the event that Lenovo is in default of any of its terms and conditions. A default on the part of Lenovo shall include any material breach by Defendant of any of the terms or requirements of this Consent Judgment. Nothing in this Consent Judgment shall be construed to (i) exonerate any contempt or failure to comply with any of its provisions after the Effective Date of this Consent Judgment, (ii) compromise or limit the authority of North Carolina to initiate a proceeding for any contempt or other sanctions for failure to comply, or (iii) compromise the authority of the Court or any other court of competent jurisdiction to punish as contempt any violation of this Consent Judgment.

E. Those signing for Lenovo below hereby state that they each are authorized to enter into and execute this Consent Judgment by and on behalf of Lenovo.

F. Lenovo further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Consent Judgment, whether required prior to, contemporaneous with or subsequent to the Effective Date of this Consent Judgment, as defined herein.

G. To the extent that there are any, Lenovo agrees to pay all court costs associated with the filing of this Consent Judgment. No court costs, if any, shall be taxed against the North Carolina Attorney General.

H. Lenovo shall not, directly or indirectly, participate in any activity or form a separate entity or corporation for the purpose of engaging in acts or practices in whole or in part in North Carolina that are prohibited by this Consent Judgment or for any other purpose that would otherwise circumvent any term of this Consent Judgment. Lenovo shall not cause, knowingly permit, or encourage any other persons or entities acting on its behalf, to engage in practices prohibited by this Consent Judgment.

I. This Consent Judgment may be executed by any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart thereof and all of which together shall constitute one and the same document. One or more counterparts of this Consent Judgment may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart thereof.

J. This Consent Judgment sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or

implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Consent Judgment that are not fully expressed herein or attached hereto. Each party specifically warrants that this Consent Judgment is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

K. Lenovo agrees that this Consent Judgment does not entitle it to seek or to obtain attorneys' fees as a prevailing party under any statute, regulation, or rule, and Lenovo further waives any right to attorneys' fees that may arise under such statute, regulation, or rule.

L. This Consent Judgment shall not be construed to waive any claims of sovereign immunity North Carolina may have in any action or proceeding.

M. Except as otherwise provided under law, this Consent Judgment may only be enforced by the State, Lenovo, and this Court. The Parties to this action may agree, in writing, through counsel, to an extension of any time period in this Consent Judgment without a Court order.

X. SEVERABILITY

If any clause, provision, or section of this Consent Judgment shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Consent Judgment and this Consent Judgment shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or provision had not been contained herein.

XI. NOTICE/DELIVERY OF DOCUMENTS

Whenever Lenovo shall submit documents or provide notice to the North Carolina Attorney General under this Consent Judgment, that requirement shall be satisfied by sending notice to: Designated Contacts on behalf of the Attorneys General listed in Exhibit A. Any notices or other documents sent to Lenovo pursuant to this Consent Judgment shall be sent to the following address: (1) Lenovo (United States) Inc., ATTN: General Counsel, 1009 Think Place, Morrisville, North Carolina 27560-900 and (2) Rebecca S. Engrav, Esq., Perkins Coie, 1201 Third Avenue, Suite 4900, Seattle, WA 98101-3099. All notices or other documents to be provided under this Consent Judgment shall be sent by United States mail, certified mail return receipt requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the notice or document, and shall have been deemed to be sent upon mailing. Any party may update its address by sending written notice to the other party.

IT IS SO ORDERED, ADJUDGED AND DECREED.


Sept. 5, 2017
Date

Donald W. Stephens
Presiding Judge

APPROVED:

FOR THE STATE OF NORTH CAROLINA

JOSH STEIN,
North Carolina Attorney General

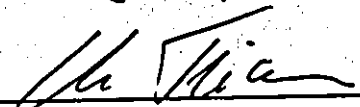
By: 
KIMBERLEY A. D'ARRUDA
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State Bar No. 25271

Date: Sept. 5. 2017

DEFENDANT, LENOVO (UNITED STATES) INC.

Date: Aug. 23, 2017

Date: _____

By: 
Christian Teismann
Senior Vice President and
General Manager, Lenovo North
America Sales (Interim)

By: _____
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Attorneys for Lenovo (United States) Inc.

APPROVED:

FOR THE STATE OF NORTH CAROLINA.

JOSH STEIN,
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DEFENDANT, LENOVO (UNITED STATES) INC.

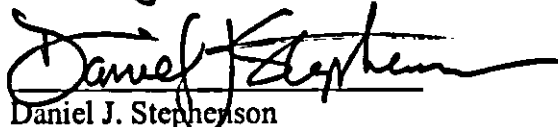
Date: _____

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Senior Vice President and
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By: _____



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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that she has this day served the
CONSENT JUDGMENT in the above-captioned matter by electronic means upon counsel
for the defendant shown below:

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This the 5th day of September, 2017.



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